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January 24, 2002

**EIGHT INDICTED IN MEDICARE AND MEDICARE FRAUD SCHEME**

Federal and state law enforcement agents began arresting defendants today, who had been charged on January 17, 2002, by a federal grand jury sitting in Tampa, Florida, in a 55 count indictment with conspiracy, false claims and money laundering arising out of a massive Medicare and Medicaid fraud scheme.

The charged defendants are:

<b>Defendants</b>	<b>Counts Named</b>
Barry D. Haught; Tampa, Florida; Age 48	All
Ernest L. Sleeth; Tampa, Florida; Age 46	All
Fred D. Ford, Jr.; Tampa, Florida; Age 38	1, 28, 29, 30, 31, 33, 37, 42, 45
Renee LaChance Hunter Livio; New Port Richey, Florida; Age 37	1, 8, 10, 11, 24, 25, 26
Teresa Martinez; Tampa Florida; Age 39	1, 4, 15, 16, 21, 23
Cherry E. Moody; New Orleans, Louisiana; Age 34	1, 34, 35, 41, 44
Thomas W. Nespeca; Odessa, Florida; Age 51	1, 3, 7, 8, 9, 10, 11, 13, 14
Christopher C. Stursberg; Lutz, Florida; Age 42	1, 12, 20, 22, 27, 32, 36, 38, 43
DBB, Inc.	1, 37
G.S. Care Corporation	1, 6, 19, 40
Gold Star Healthcare, Inc.	1, 44
Med-Care Distributors, Inc.	1, 2
T-Tech Medical Services, Inc.	1, 8
Trans-Capital Investment Group, Inc.	1, 3

The indictment alleges that the defendants conspired and schemed to submit false, fictitious and fraudulent claims to Medicare (Part B) and Medicaid in connection with the sale of durable medical equipment (DME) such as motorized wheelchairs, alternating pressure mattresses and related items. The indictment further alleges that the scam netted the conspirators over \$25.7 million in forfeitable proceeds.

Specifically, the indictment alleges that the conspirators operated the scam through a group of companies which some of the conspirators secretly owned or controlled. The defendants caused the companies to submit DME claims to Medicare and Medicaid which were false, fictitious and fraudulent in one or more of the following respects:

- (a) the DME purportedly provided had in fact not been provided;
- (b) the DME provided was a different item having a lesser value than the DME purportedly provided;
- (c) the DME provided was a different item, the cost of which was not reimbursable by Medicare or Medicaid;
- (d) the DME provided was medically necessary when in fact it was not;
- (e) the referring physician had certified the DME provided as medically necessary when in fact the referring physician had made no such certification;
- (f) the signature on file of the referring physician attesting and certifying as to the correctness of the information on the CMN and the medical necessity for the items ordered was true, genuine and authentic, when in fact it was falsely made and forged; and
- (g) the diagnosis codes on the Form 1500 and the CMN were true and correct and had been supplied by the referring physician, when in fact they were not true or correct and had not been supplied by the referring physician.

Following receipt of payments from Medicare and Medicaid, the indictment alleges that some of the conspirators laundered some of the proceeds into off-shore bank accounts through other corporations owned or controlled by them.

Also filed today or recently were charges against other individuals or corporations arising out of the same investigation. Those individuals and corporations are:

Defendants	Charge
Dennis E. Rodriguez; Odessa, Florida; Age 54	False Claim
John C. Merlino; Tampa, Florida; Age 43	False Claim
John S. Bidelspach, D.P.M.; Palm Harbor, Florida; Age 38	Kickbacks
Nursery Road Villa	False Claim

Also filed in connection with these defendants were plea agreements.

The investigation leading to these charges was conducted jointly by the Federal Bureau of Investigation, the Office of the Inspector General of the United States Department of Health and Human Services, the Medicaid Fraud Control Unit of the Florida Attorney General's Office, and the Internal Revenue Service. The investigation is continuing.

The cases are being prosecuted by Assistant United States Attorneys Terry A. Zitek, Jay G. Trezevant, and Amanda C. Kaiser.

An indictment is merely a formal charge that a defendant has committed a violation of federal criminal laws. Every defendant is presumed innocent until, and unless, proven guilty.

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